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Chairman: Mr. Ashe ..... (Antigua and Barbuda)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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The meeting was called to order at 10.05 a.m.

Agenda item 122: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

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Policies of United Nations system organizations towards the use of open source software in the secretariats (*continued*) (A/60/665 and Add.1)

1. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, said that the Group, at its recent Special Ministerial Meeting in Putrajaya, Malaysia, had reaffirmed its strong support for the United Nations and for collective efforts to enhance its ability to implement its mandates fully and deliver its programmes effectively, while stressing that the legitimacy and viability of any reform measures depended ultimately on the broad support of Member States and staff. The statement adopted at the meeting would continue to guide the Group during the forthcoming negotiations.

2. The Group had also maintained that Member States must demonstrate their commitment to the United Nations by ensuring that it received adequate and predictable resources. The Organization could not perform effectively if it was expected to undertake more tasks within stagnant budget levels. Member States could not call for reform, on the one hand, and take action that brought the United Nations to the brink of financial insolvency, on the other.

3. The Group was prepared to finance the additional costs resulting from the adoption of reform measures as revised appropriations and trusted that other Member States would demonstrate their commitment to reform by increasing existing budget levels. For too long, Member States had tried to finance new activities from within existing resource levels. Such a practice was unrealistic and undermined the functioning of the United Nations.

4. The Group of 77 and China had always maintained that proposals touching on the role and prerogatives of Member States in the General Assembly fell outside the scope of the decisions taken at the 2005 World Summit and bore no relation to management reform. She hoped that those concerns had been laid to rest once and for all. However, it was regrettable that the Secretariat had not fully implemented General Assembly resolution 60/260 and had resubmitted proposals which bore no relation to management reform and had led to very divisive discussions. The proposal to give the Secretary-General limited discretion in budget implementation (A/60/846/Add.2) was a clear case in point, as it did not respond to General Assembly resolution 60/246 or 60/260 and therefore could not be considered. It would be prudent for Member States to avoid embarking on a potentially divisive negotiation on such a controversial issue.

5. The Group had called on the Secretary-General to fully implement resolution 60/260 and had stressed that proposals not endorsed by the General Assembly should not be resubmitted. In that regard, she pointed out that the General Assembly, by its resolution 60/260, had already pronounced itself on the proposals relating to the charging of interest on arrears, a public access policy and the consolidation of performance and financial information into one annual report. The Group expected that the relevant provisions would be respected, as implementation of resolutions should be part and parcel of efforts to increase the Secretariat's accountability.

6. Turning to those proposals that were related to management reform, she said that, on the subject of information and communication technology (ICT), the Group firmly supported the development of a comprehensive ICT strategy and an increase in the resources allocated to training and ICT. The Group also supported the creation of a post of Chief Information Technology Officer at the Assistant Secretary-General

level, and asked the Advisory Committee on Administrative and Budgetary Questions (ACABQ) to clarify its recommendation that the post should be created through redeployment. It looked forward to receiving information on the composition, structure and reporting lines of the proposed new office, as well as its interaction with other Secretariat structures.

7. The Group also supported the proposal to replace the Integrated Management Information System (IMIS) with a next-generation enterprise resource planning (ERP) system or other appropriate solution. It looked forward to the findings of the detailed study and costing plan that the Secretary-General had undertaken to submit to the Assembly at its sixty-first session, and trusted that the study would respond to the issues raised by ACABQ and by the Assembly in section IV of resolution 60/260. The Group noted the potential savings that could be achieved through the use of open source software and expected that the study would elaborate on that element, as requested in section V of the resolution.

8. Turning to the proposals to improve financial management practices, she said that, in the interest of maintaining and enhancing the credibility, transparency and accountability of financial processes and transactions, the Group supported the proposal that the United Nations should adopt the International Public Sector Accounting Standards (IPSAS) for its financial statements. It further concurred with ACABQ that the proposed timetable for implementation should be realistic and should be synchronized with the introduction of any new information technology system.

9. The Group also supported the proposal to increase the level of the Working Capital Fund, which had remained stagnant since 1981. The Group understood, however, that while the increase was justified from a technical point of view, it would not solve the bigger political problem of late payment of dues. The Group again called on all Member States to reaffirm their commitment to meeting their legal obligation to bear the Organization's expenses.

10. While the Group was sympathetic to the Secretary-General's request to use budgetary surpluses either to meet the Organization's unfunded liabilities arising from the after-service health insurance scheme or to finance an increase in the Working Capital Fund, it noted that the Secretary-General would not have had to make such a proposal if Member States had met their commitment to the Organization in full, on time and without conditions. Pronouncements by some Member States that they might withhold their assessments were compounding the problem. The Group would require clarification on a number of issues, including whether or not the retention of surpluses would be a one-off measure and whether or not Member States' right to determine how surpluses due to them were used would be respected.

11. As for the proposal to consolidate the accounts of closed and active peacekeeping operations, the Group noted the indication that consolidation might provide a more predictable cash flow to peacekeeping operations, including those that traditionally faced cash shortages due to non-payment or late payment, and expedite reimbursements to troop- and police-contributing countries. It also noted that consolidation might have certain administrative advantages and enable the Organization to settle outstanding liabilities in the accounts of closed missions with cash deficits. Consolidation would not, however, solve the problem of non-payment or late payment of dues. In that regard, she noted the comments of ACABQ that those States that paid their assessments in full and on time might be subsidizing those that did not, and the Secretariat's acknowledgement that the overall availability of cash would continue to depend on the prompt payment of assessments by Member States. She would appreciate clarification of those matters during informal consultations.

12. The Group of 77 and China would continue to negotiate constructively through the Assembly's established processes. It was not helpful to make linkages between the various proposals and outcomes of the different negotiating processes or to set artificial deadlines for the consideration of proposals and the conclusion of negotiations. Member States had received a large number of technical proposals that would have a lasting impact on the work of the Organization and therefore required careful consideration. Reform was not an end in itself. Member States must take sensible decisions to ensure that the United Nations was able to undertake a broad range of activities in the immediate and longer terms.

13. **Mr. Malmierca Díaz** (Cuba) said that his Government attached great importance to the reform process and agreed that the United Nations must be made more efficient and effective, in line with the

purposes and principles enshrined in the Charter. His delegation reiterated its willingness to work with all Member States in seeking a consensus that was based on sovereign equality, transparency and inclusion and was free of impositions, threats and blackmail.

14. Imposing financial conditions would not help the reform process; rather, it would seriously undermine the Organization's ability to carry out its activities and would affect the willingness of many Member States to participate in an honest, open and constructive dialogue. His delegation therefore believed that the spending cap should be lifted without restrictions. If States genuinely wished to reach agreement, they should not impose negotiation packages in which some proposals or negotiation processes were held hostage to others, nor should they impose artificial deadlines on negotiations. All of the many proposals submitted would have an impact on the work of the Organization and therefore needed to be discussed in depth.

15. Unfortunately, some of the proposals contained in documents A/60/846 and Add.1-4 did not reflect the decisions contained in resolution 60/260. The proposals should therefore be reformulated to reflect the Assembly's requests. The Secretariat was not a negotiating party in the process and should therefore fully abide by Member States' decisions. His delegation was ready to consider the proposals contained in addenda 1, 3 and 4, but believed that many of them still needed to be fleshed out by the Secretariat. Moreover, while his delegation commended ACABQ on its very useful report, in some cases it would have appreciated more specific recommendations.

16. Any reform measures that were adopted would have a financial impact on the Organization, and that impact should be absorbed by Member States. The Organization's Members must not put more pressure on the Secretariat by asking it to implement measures with the same level of resources approved for the biennium. Such an approach would damage their credibility as countries that were committed to the Organization.

17. **Mr. Cho** Hyun (Republic of Korea) said that, although the four addenda to the Secretary-General's report (A/60/846/Add.1-4) fell short of the initial proposals, they still provided a good basis for achieving a more effective and efficient United Nations and contained many valid suggestions for enhancing the Secretariat and management.

18. Regarding ICT, his delegation supported the creation of a post of Chief Information Technology Officer with the responsibilities described in addendum 1. It concurred with ACABQ that, if established, the post should be held by an expert with extensive professional experience, in-depth knowledge and proven managerial ability. While acknowledging the pressing need to overcome ICT deficiencies in the United Nations system, his delegation believed that prudence was needed to prevent past mistakes from being repeated and to maximize the benefits by eliminating duplication, streamlining processes, increasing efficiency and productivity, and improving financial controls. The proposed Chief Information Technology Officer must play an instrumental role in such processes from the start.

19. His delegation noted the high cost estimate of $120 million and the linkage of ICT strategy with the adoption of a next-generation ERP system and the introduction of IPSAS. It expected that a more detailed, accurate and comprehensive analysis and plan, including cost parameters, would be presented to the General Assembly at its sixty-first session.

20. Regarding the Secretary-General's two proposals for limited discretion in budget implementation — namely, transfers between budget sections and redeployment, reclassificiation and conversion of posts — his delegation supported the idea of giving the Secretary-General more flexibility in managing the Secretariat and resources. It was in no one's interests for the Organization to be operated under rigid regulations that were no longer suitable for the Secretariat's mandates and activities. In return for such increased authority, Member States should be provided with enhanced accountability mechanisms. He hoped that the forthcoming addendum on accountability would give States a clearer understanding and greater assurances regarding accountability, which would facilitate progress in related areas. However, greater accountability without increased flexibility would make it even harder for the Secretary-General to manage effectively. The two must therefore move forward in tandem.

21. The discussion of addendum 3 required both technical clarifications and political decisions by Member States. Concerning the consolidation of peacekeeping accounts, his delegation recognized the benefits of increasing flexibility in the use of peacekeeping resources, including more consistent and

timely reimbursements to troop- and police-contributing countries. As such, the proposal merited favourable consideration. His delegation also appreciated the fact that ACABQ and the Secretariat had worked together to find an approach that maintained the link between peacekeeping assessments and specific Security Council mandates.

22. On the proposals to enhance the current reporting system, his delegation supported the Secretary-General's intention to submit a single, comprehensive annual report containing both financial and programme information. The comments of ACABQ on the need to define more clearly the purpose of the report and the target audience were valid and should be taken into account. His delegation concurred with ACABQ that, for the time being, the report should target Member States. His delegation also noted that paragraph 8 of addendum 4 stated that the planned report would not require action by Member States, but recognized the importance of feedback from Member States in validating and refining the report.

23. **Mr. Tarrisse da Fontoura** (Brazil) said that his delegation welcomed the recommendations made by the Joint Inspection Unit (JIU) in its report on policies towards the use of open source software (A/60/665). The organizations of the United Nations system should make greater use of open source software to ensure that all Member States could gain access to electronic information and materials without having to purchase specific software products. The purchase of software should not be a prerequisite for access to public information made available on the websites of organizations of the United Nations system.

24. His delegation noted with interest the information provided in the JIU report on the policies of Member States concerning open source software, including in developing countries. There was a need to improve South-South cooperation in the use of such software. His delegation expected that the Secretariat would submit a report with clear proposals on how to increase the use of open source software within the Secretariat, in accordance with General Assembly resolution 60/260.

25. In Brazil, open source software had been used to support public policies of digital inclusion aimed at poverty eradication and sustainable development. His delegation noted with satisfaction that the JIU report referred to Brazil's "PC Conectado" initiative, by which his Government subsidized the purchase of open source software-based computers by low-income citizens and small-business owners.

26. **Mr. Mumbey-Wafula** (Uganda) said that the sixty-first session of the General Assembly should be remembered for its constructive engagement on proposals aimed at achieving a better-performing United Nations, rather than for deadlocks during negotiations. To that end, States should focus on areas where immediate progress could be made. Proposals in areas such as ICT, IMIS, IPSAS and the Working Capital Fund — as well as those relating to the consolidation of peacekeeping accounts and the retention of budget surpluses, once they had been clarified — all had potential for faster progress. However, if States expected to reach a speedy consensus, they should be wary of pushing for contentious proposals such as the charging of interest on arrears, a public access policy and the consolidation of performance and financial information into one annual report.

27. **Mr. Ng'ongolo** (United Republic of Tanzania) said that all the Members of the Organization agreed on the need for effective reform measures. Reforms must promote and protect the interests of the entire membership, respect sovereign equality and maintain the international character of the Organization. As the proposals of the Secretary-General had been mandated by the 2005 World Summit Outcome, neither they, nor the Member States' response to them, should be seen as advancing the interests of only one, or a few, Member States.

28. His delegation supported the establishment of a new post of Chief Information Technology Officer. It trusted that, if the new post was approved, it would be filled in a transparent manner and in keeping with the principle of equitable geographical distribution. Recalling the abnormal recruitment practices described by the Office of Internal Oversight Services in its report on the comprehensive management audit of the Department of Peacekeeping Operations (A/60/717), which included hand-picking candidates not on recruitment shortlists, his delegation feared that, if such bad governance continued unchallenged, the Organization would never appropriately reflect its international character and would find its integrity and legitimacy undermined.

29. His delegation took the view that the Secretary-General should have limited discretionary powers to manage the Organization, provided those powers could be exercised without covert external influence. While it did not believe that current conditions were sufficient to guard against that risk, it could consider granting limited flexibility on a provisional basis and subject to open accountability to the Fifth Committee. Though it welcomed efforts to introduce more credible accountability measures, it cautioned against adding more measures in rapid succession without waiting to see how well they worked. Furthermore, it was concerned that some of the proposals for giving the Secretary-General budgetary discretion overstepped his mandate, and reminded the Committee that intergovernmental bodies' programme planning, budgeting and evaluation roles could not be transferred to the Secretary-General. It therefore endorsed the recommendations of the Advisory Committee on the subject of flexibility.

30. The United Republic of Tanzania welcomed the proposal to consolidate the budgets of all peacekeeping missions, since it had found that frequent requests for the payment of various assessed contributions had impaired its ability to honour its financial obligations to the Organization, and its payment pattern had improved after it had requested a consolidated statement of all the amounts due. While it understood the concerns expressed about the delinking of peacekeeping assessments from the duration of Security Council mandates, such delinking would facilitate Member States' financial planning. Thus, when Member States were notified of their contributions, they should also receive details on projected contributions beyond the end of the current mandate period.

31. The United Nations should make its documents more widely accessible so that the public could learn about the benefits of the Organization's functions and how well it was fulfilling them. Not providing such access increased the risk that the public would be given distorted information. His delegation viewed the proposed annual performance report as a step in the right direction, disagreeing with the Advisory Committee's opinion that it would be too technical for the general public and not detailed enough for the Member States. The intellectual capacities of the public were not uniform. However, the report should not be made available simultaneously to the Member States and the general public; instead, the Organization should issue it to the Member States first, to allow them to take the appropriate action, and only then release it to the public. Similarly, his delegation wondered how the current institutional arrangements of the General Assembly and Economic and Social Council, whereby the Assembly's six Main Committees considered reports separately, would be affected by consolidation of reporting in the Organization. Perhaps consolidation could be made experimental, depending on the issue and the Main Committee involved.

32. The Organization must be brought closer to the public, which must have more access to information on United Nations activities. Strengthening multilingualism and the Organization's information centres throughout the world would strengthen the Organization itself.

33. **Mr. Yáñez Pilgrim** (Bolivarian Republic of Venezuela) said that his delegation shared the views expressed by the representative of Brazil on the use of open source software in the United Nations system. His own country had made significant progress in the use of such software and was debating a decree-law on its use in government institutions as a means of democratizing knowledge and information technology and of achieving savings in that area.

34. **Mr. Oshima** (Japan) said that, in the wake of the 2005 World Summit, Japan remained strongly committed to strengthening the Organization through reforms to improve transparency, accountability and effective and efficient administration of human and financial resources. Those goals should be implemented in a consistent manner, within a reasonable time.

35. His delegation looked forward to thorough discussion of procurement reform following the forthcoming detailed report of the Secretary-General on that subject. Believing that the modernization of ICT in the Organization was essential for efficient resource management, Japan recognized the need for a Chief Information Technology Officer to lead planning and implementation, and urged that the individual recruited to that post should have strong professional experience and management ability.

36. The General Assembly, in its resolution 60/246, had recognized the need to give the Secretary-General limited discretionary authority in budget implementation. The delegation of Japan had joined

others in promoting such a step as one of the pillars of management reform. The questions remaining to be settled were the extent of that discretionary authority, the conditions under which it should be exercised and the accountability arrangements that should be attached to it. However, the existing authority for redeployment of up to 50 posts, established by the General Assembly in resolutions 60/246 and 58/270, had never been fully used, largely because of lack of funding. Programme managers were expected to give up posts under their control voluntarily, an approach which was unlikely to succeed.

37. While his delegation did not challenge the motivation for the proposals to give the Secretary-General more flexibility in the allocation of resources and posts (A/60/846/Add.2), it saw them as probably too ambitious to win consensus. Instead it favoured a more modest solution which struck a balance between the Secretary-General's desire for greater managerial responsibility and Member States' desire for more accountability to the General Assembly. The Secretary-General, on an experimental basis, should be given discretion to utilize savings in staffing costs resulting from the gap between projected vacancy rates and actual vacancy rates, up to a ceiling of 1-2 per cent of post costs, and be allowed to use the resulting resources for emerging priority needs such as filling temporary posts and providing general temporary assistance for mandated programmes and activities. That flexibility should be exercised only with the concurrence of the Advisory Committee, which acted on behalf of the General Assembly. The Secretary-General should report on the use of his discretionary authority in the context of the performance reports.

38. While the consolidation of peacekeeping accounts might have some benefits for timely reimbursement to troop- and police-contributing countries, the more fundamental cause of delayed reimbursement to those countries — non-payment of assessed contributions — must be addressed. In accordance with the unique budgeting and assessment arrangements for peacekeeping missions, from which there must be no deviation, the Security Council decision establishing a mission's mandate allowed assessment letters to be issued to Member States for that mission. There were no grounds for treating each peacekeeping mission as a section of the total peacekeeping budget, by analogy with the regular budget. Moreover, as the Advisory Committee had pointed out, the scope and quality of information on peacekeeping financing must be maintained. While the delegation of Japan could not accept the proposals in paragraph 112, subparagraphs (b) to (i), of document A/60/846/Add.3, it was prepared to consider technical adjustments that would enable the Secretary-General to use assessed contributions for peacekeeping operations more efficiently.

39. **Mr. Repasch** (United States of America) said that the Fifth Committee was preparing to take concrete action on an array of reforms intended to modernize the Secretariat and move forward in implementing the 2005 World Summit Outcome. To that end, the Member States must begin their review of the mandates of the Organization, identifying any that were obsolete or ineffective or that were not priorities for early action. While his delegation regretted that the initiatives set out in the original report of the Secretary-General entitled "Investing in the United Nations: for a stronger Organization worldwide" (A/60/692) had been scaled back, it stood ready to engage in discussions aimed at reaching agreement on tangible and significant improvements.

40. Some modest progress had been made since the World Summit, including establishment of the much-needed Ethics Office; strengthening of financial disclosure requirements for staff members; protection from retaliation for reporting misconduct; and provision of the resources needed for oversight. The next step was to demonstrate that the Organization and its Member States were fully engaged in what United States Secretary of State Condoleezza Rice had termed a "lasting revolution of reform" that would fully equip the United Nations to address the complex array of challenges confronting the global community.

41. Believing that the modernization of ICT infrastructure was a critical requirement for a modern and more effective Organization, the United States endorsed the recommendations of the Advisory Committee in that regard and expected that maximum efforts would be made to fund those and other reform requirements with efficiency savings and offsets. It also agreed with the Secretary-General's plan for a comprehensive annual report and with the Advisory Committee's comments on that subject. It strongly endorsed the proposal to elaborate a clear policy for public access to United Nations records.

42. Having long believed that the existing budget practices were not compatible with the needs of a modern, priority-driven organization, his delegation did not share the Advisory Committee's views on budget transfers and staffing-table adjustments, although it did support the call for improved accountability. It looked forward to additional discussion of the proposal and to hearing the Advisory Committee's reasoning. It was pleased that the Secretary-General and the Advisory Committee agreed on the need for the Organization to adopt internationally recognized accounting standards, and endorsed the proposal concerned.

43. Recalling the Secretary-General's recent remarks to the press on the need for the Member States to overcome artificial North-South divisions and act together to achieve their shared vision of the Organization, the United States delegation looked forward to reaching agreement on a package of reforms that would be a source of pride.

44. **Mr. Traystman** (United States of America) said that, while his delegation appreciated the efforts of the Joint Inspection Unit (JIU) to explore the use of open source software in the United Nations system, it believed that the JIU approach had been too narrow. In contrast, it had found the comments of the United Nations System Chief Executives Board for Coordination (CEB) on the JIU report to be balanced and objective. The Board had expressed disappointment at the lack of an analysis of the potential and constraints of such software, at the absence of a review of its use in the United Nations system and at the exclusive focus on access to public information.

45. His delegation questioned the expertise of JIU to carry out such a technical, highly specialized study, and wondered whether it had engaged a team of experts able to approach the subject objectively and comprehensively. It would like clarification of the quality control process used by the inspectors to review and approve the report, which — because of its concerns — the United States delegation was unable to endorse.

46. The United States delegation recommended that the organizations of the United Nations system should be guided by paragraph 27 of the Declaration of Principles adopted in the first phase of the World Summit on the Information Society, held in Geneva in December 2003, which referred to the role of all software models — including proprietary, open-source and free — in promoting access to knowledge.

47. **The Chairman** said that the Joint Inspection Unit would be asked to supply a written response to the concerns just expressed by the United States delegation.

48. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, said that, if JIU was to respond to the concerns raised about its report, her Group — which mostly supported the recommendations in the report — would prefer the Secretariat to arrange a videoconference link to widen the debate to include all the delegations.

49. **Mr. Abelian** (Secretary of the Committee) said that the Secretariat would endeavour to arrange a videoconference link, as requested.

Agenda item 124: Programme budget for the biennium 2006-2007 (*continued*)

Business analysis on the possibility of constructing a new permanent building on the North Lawn (A/60/7/Add.38 and A/60/874)

50. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, said that the Group continued to fully support the comprehensive plan for the refurbishment of the United Nations Headquarters complex and regretted that the Secretariat had been deprived of the funds necessary for the refurbishment to proceed expeditiously. The Group noted that owing to the lack of sufficient time and resources, many details which would have facilitated the debate on the proposal for constructing a new permanent building on the North Lawn had not been taken into account in the Secretary-General's report on the subject A/60/874. For example, the analysis excluded the important aspects of security and architectural concerns and provided no information or analysis with respect to swing space requirements.

51. The Secretary-General had recommended that the matter of a permanent building should be considered independently from the renovation. In its report (A/60/7/Add.38), the Advisory Committee had supported that approach. While there might be no other choice at the moment given the urgency of the situation, the Group took issue with the Advisory

Committee's statement that the issues of a permanent building and swing space were not linked.

52. The concept of a new building on the Robert Moses Playground which would provide swing space and subsequently be utilized as a consolidation building had been integral to the capital master plan when it had been approved by Member States. Much of the current additional cost of implementing the capital master plan stemmed from the host country's reneging on commitments and from the consequent breakdown of many of the assumptions that had initially underpinned it, including the availability of swing space.

53. The Group did not wish to see any further delay in the project's implementation. While the adoption of a phased approach (strategy IV) might seem to be the most feasible choice in the near term, the option of having additional capacity through the construction of a new building should remain open, and concerted efforts should be made to undertake a more detailed, thorough and objective analysis of the idea of a new permanent building on the North Lawn.

54. **Mr. Torres Lépori** (Argentina), speaking on behalf of the Rio Group, said that the Group reaffirmed its strong support for the capital master plan and remained committed to acting promptly in order to avoid further deterioration of the Secretariat Building and the work environment of the staff. The report of the Secretary-General provided a very good basis for bridging gaps and reaching a consensus on the matter. The report of the Advisory Committee also provided broad guidelines that would greatly help the Committee in its deliberations. The General Assembly must also fully consider factors that had not been addressed in the Secretary-General's report, including security, architectural issues and host city and community issues. Lastly, the Secretariat should be mindful of the artistic heritage of the Organization and should ensure that all works of art were properly handled during the refurbishment period.

55. **Ms. Zobrist Rentenaar** (Switzerland) said that her delegation supported the conclusions and the recommended course of action outlined in the report of the Secretary-General. From the outset, her delegation had considered the construction of a new permanent building on the North Lawn a worthy option which made economic and long-term corporate sense. Her delegation would have preferred strategy III, as outlined in the third annual progress report (A/60/550), provided that the new building could be used for swing space. Time constraints, however, had ruled out that option. Her delegation therefore fully supported the Secretary-General's recommendation that the issue of the Headquarters renovation should be kept entirely separate from any plan to construct a new permanent building.

56. At the current late stage, the Committee must focus on the urgent need to renovate the Headquarters complex in order to ensure the safety and well-being of its occupants, and to move forward decisively with strategy IV. Any further delay must be avoided, given the cost escalation of $10 million a month.

57. Although her delegation did not currently have a firm position, it did not agree with the Advisory Committee that there was no merit in conducting a comprehensive feasibility study on the construction of a new building. That question must be carefully considered, and her delegation looked forward to taking it up at the sixty-first session of the General Assembly. In the meantime, no action should be taken that would preclude the construction of a new permanent building at some future date.

58. **Ms. Rodríguez Abascal** (Cuba) said that the Committee was largely in the same position as it had been when the first report of the Secretary-General on the capital master plan had been presented to it some six years previously. As in previous sessions, the item had been introduced at a late date, which had made it difficult or impossible to settle the existing differences among Member States. Her delegation attached particular importance to improving the Headquarters complex and the services provided to Member States, because that would facilitate the legislative process and protect those working at Headquarters from negative health effects.

59. It should be asked why the United Nations was in such a situation. Neither the City or State of New York nor the United States Congress had honoured their commitment to facilitate the construction of a new building to serve as swing space during the renovation. In 2005 the host country had obstructed the approval of the funds necessary for the proper functioning of the Office for the Capital Master Plan and for the plan's implementation. That attitude contrasted with the one displayed by other countries that hosted United Nations entities in their territory.

60. While strategy III was the best option in the long term, the time had come to work on the basis of strategy IV. However, her delegation would seek further details, in informal consultations on the possibility of completing a new building in the future.

61. **Mr. Golovinov** (Russian Federation) said that the item under discussion had been on the agenda for a long time. Unfortunately, there had not been much progress in resolving such fundamental issues in connection with the renovation as the financing of the project and the commencement of the renovation itself. Meanwhile, the cost of the project was growing.

62. His delegation was prepared to discuss the issue in a constructive manner on the basis of strategy IV. His Government would maintain its fundamental position that the project should be financed through direct assessments on Member States. With respect to the proposed mechanisms for covering the costs of the project in the event that individual Member States failed to abide by their financial obligations to the Organization, including guarantees in the form of letters of credit, additional costs arising from delays in the payment of contributions must be covered by the Member States responsible for those delays.

63. The strategy for a phased approach should be implemented in accordance with the current staffing levels and organizational structure of the Secretariat. The strategy itself did not involve any changes in the working methods or location of any Secretariat service or department. After temporarily moving into swing space, all Secretariat staff must be able to return to their renovated offices.

64. Given the scope of the project and the proposed delegation of broad authority to the management firm, it was particularly important to comply strictly with the rules and procedures of the Organization and relevant General Assembly resolutions governing the financial, administrative, budgetary and procurement activities of the United Nations during the project's implementation, regardless of the choice of strategy. During the selection of the management firm and the competitive bidding process, the Office of Internal Oversight Services and the Board of Auditors should closely monitor that issue.

65. **Ms. Udo** (Nigeria) said that the experts who had undertaken a cursory analysis of the possibility of constructing a new permanent building on the North Lawn had faced several constraints, including limited time to conclude the preliminary analysis, the absence of outside consultants and the fact that they had had to work for free. Nevertheless, they had been able to draw some preliminary conclusions. Neither the report of the Secretary-General nor the report of the Advisory Committee had mentioned the crucial issue of the fatigue caused by embarking on yet another strategy when a solution had seemed at hand. Despite those constraints, the capital master plan team had concluded that the United Nations would derive commercial advantages from constructing and owning a building as opposed to long-term leasing, based on the assumptions contained in paragraph 5 of the Secretary-General's report, and had recommended that the General Assembly should revert to the issue at its sixty-first session. It was therefore surprising that the Advisory Committee had deemed the conduct of a feasibility study unwarranted, on the ground that it would detract from the focus that the renovation project required from the Secretariat, even though the Secretary-General and the Advisory Committee had agreed that the two issues should be considered separately. Further clarification was needed on the matter, which should not simply be dismissed.

66. **Ms. Nowlan** (Office of Programme Planning, Budget and Accounts) said, in response to a question raised at the Committee's preceding meeting on current spending under the capital master plan, that some $19.7 million had been spent since the beginning of May 2006. The cost related mainly to the preparation of construction documents. No money had been spent under the commitment authority.

The meeting rose at 11.45 a.m.